

2002 Farm Bill Summary - Identifying Opportunities for Federal Funding					
Program	Program Description	Federal Funding Available	Match Required	Eligibility	Program Benefit to Indiana
Federal-State Marketing Program (FSMIP) Contact: Ag Marketing service - USDA	Funding for marketing research and activities	\$1.35 million in FY 2002	Yes - Must be matched at least equally. State appropriations may be used	State Agriculture Departments or similar state agencies can apply for direct funding	The State of Indiana can receive funding for agricultural research projects. Other states have received funding for case studies on various marketing programs.
Value-Added Agriculture Product Marketing Development Grants (VADG) Contact: Rural Development -USDA	Competitive grants for value-added activities	\$41 million in each FY 2003-2006.	Yes - State match must be at least equal to the grant amount awarded.	Independent producers, ag producer groups, farmer or rancher co-ops.	These grants provide assistance for the development of business plans and strategies that create marketing opportunities for value-added agricultural products.
Resource Conservation and Development (RC&D) Contact: NRCS - USDA	Provides technical assistance to local communities (multi-county areas known as "RC&D areas") to help protect and develop economic, natural, and social resources. The 2002 Farm Bill permanently authorized the RC&D program	FY 2003 funding est. not yet available - Funding for FY 2002 was \$1,033,100 in Indiana	No match required.	Technical assistance is available to RC&D areas designated by the Secretary of Agriculture for planning, land conservation, water management, community development, and environmental enhancement elements.	Project examples include: marketing plans, protection of fish and wildlife habitat, feasibility studies, and assistance with grants, loans and other financing mechanisms.
Rural Cooperative Development Grant Program (RCDG) Contact: Rural Business Cooperative Service	Grant for improving the economic conditions of rural areas thru development of new co-ops and improving operations of existing cooperatives.	FY 2003 funding estimate not available	Yes - up to 25% of the Federal contribution	Non-profits and institutions of higher education. Emphasis is placed on projects with high potential to improve rural business activity.	Grants may be awarded to applicants to form and operate centers for cooperative development for providing education, research, and technical assistance to rural cooperatives.
Renewable Energy Systems and Energy Efficiency Improvements Contact: Rural Business - Cooperative Service	Establishes a loan, loan guarantee, and grant program to assist eligible farmers, ranchers, and rural small businesses in purchasing renewable energy systems and making energy efficiency programs.	\$23 million available for FY 2003 2007.	No match required.	Farmers, ranchers, and rural small businesses will be eligible on a financial need basis - to be determined by the Secretary of Agriculture.	Provides much needed funding assistance in the form of grants or loans to Indiana farmers and small business owners who invest in renewable energy sources.
Biomass Research and Development Act of 2000 Contact: USDA	Provides funding in the form of grants, contracts, or financial assistance for the commercialization of biomass conversion technologies.	\$14 M per year FY 03 - 07	No match required.	Institutions of higher education, state research agencies, federal research agencies, private entities, non-profit organizations, or a combination of the above.	The State of Indiana can utilize its institutions of higher education and the partnerships it has created with them to conduct research on biobased industrial products.
Biorefinery Development Grants Contact: USDA	Grants will be awarded to assist in paying the cost of development and construction of biorefineries to carry out projects to demonstrate commercial viability of converting biomass to fuels or chemicals.	Grant amount shall not exceed 30% of the cost of a project.	Yes - may be in the form of cash or in-kind services and shall not exceed 25% of the cost of the project.	Individuals, corporations, farm cooperatives, institutions of higher education, state or local energy agency, or a combination of the above.	This grant initiative provides funding for the development of fuels, chemical and energy from renewable sources, increase the energy independence of the US, and provide benefits to conservation, public health, and environmental initiatives.
Biodiesel Fuel Education Contact: USDA - Rural Development	Competitive grants are available to educate governmental, public and private entities that operate vehicle fleets about the benefits of biodiesel fuel use.	\$1 million available for competitive grants for each FY 03-07.	No match required.	Non-profits or institutes of higher education. Must demonstrate a knowledge of biodiesel fuel and have the ability to conduct educational and technical support systems.	Provides opportunities to educate public and private entities in Indiana about biodiesel fuel uses.

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Energy Audit and Renewable Energy Development Program Contact: USDA - Rural Development	Competitive grants are available for entities to administer energy audits and renewable energy development assessments for farmers, ranchers, and rural small businesses.	Pending Appropriations.	A farmer, rancher, or rural small business that has an energy audit conducted by a grant recipient will be required to pay 25% of the cost of the audit.	A State energy or agricultural office, a regional or state-based energy organization, a rural electric cooperative or utility, or non-profit organization.	Funds will be used to conduct and promote energy audits for farmers, ranchers, and rural small businesses to provide recommendations on how to improve energy efficiency and use renewable energy technology and resources.
Continuation of Bioenergy Program Contact: USDA	Provides funding to producers of ethanol and biodiesel for the purchase of commodities used to expand existing production. Payments will be made based on the quantity of bioenergy produced and are made on a quarterly basis.	No more than \$150 million available for each FY 03 - 06.	No match required.	Any producer that uses an eligible commodity to produce bioenergy is eligible for the program. Eligible commodities include corn, wheat, barley, sorghum, and soybeans, any animal byproduct that is used to produce bioenergy.	Benefits Indiana producers of commodities that are used in bioenergy programs.
Farm and Ranch Land Protection Program (FRPP) Contact: USDA - NRCS	Provides funding to help acquire conservation easements to protect farms that contain at least 50% prime, unique, statewide or locally important soil.	\$938,400 allocated to Indiana for FY 2002. FY2003 allocation pending.	Yes - 50% of the appraised fair market value of the easement must be provided.	Eligible entities: Tribes, States, Local units of government, and non governmental organizations. Eligible land: cropland, pasture land, grassland and incidental forest land. Proposals should be submitted to the local NRCS office.	USDA provides up to 50% of the fair market value of the easement. To qualify, farms must be part of a pending offer from a State or local farmland protection program, be privately owned, have a conservation plan, and be large enough to sustain long term agricultural production.
Environmental Quality Incentives Program (EQIP) Contact: Local NRCS office	Provides technical, financial, and educational assistance to address natural resource concerns and objectives. EQIP may pay up to 75% of the costs of certain conservation practices.	\$4,261,000 allocated to Indiana for FY2002. FY2003 allocation pending.	Program participants provide 25% of the cost of practice installation.	Only people who are engaged in agricultural production can apply. Eligible land: cropland, pasture land, private non-industrial forest land, other farm or ranch lands.	Addresses many agricultural non-point pollution sources and helps meet Indiana's NPS objectives. Contributes to meeting TMDL load reduction goals.
Conservation of Private Grazing Land Program (CPGL) Contact: Local NRCS office	Provides technical assistance that helps owners of private grazing land address natural resource concerns while enhancing the economic and social stability of grazing enterprises.	\$336,000 allocated to Indiana in FY 2002. FY 2003 allocation is pending.	No match required.	Owners and managers of private grazing land are eligible to receive technical assistance.	Maintains and improves private grazing land and its management. Protects and improves water quality. Encourages the use of sustainable grazing systems.
Conservation Innovation Grants Contact: Local NRCS office	Through the Environmental Quality Incentives Program, competitive grant awards are available to stimulate innovative approaches to environmental enhancement and protection in conjunction with agricultural production. Grant amounts will not exceed 50% of the cost of the project	A part of the EQIP program. Potential FY 2003 implementation.	Yes- 50% of the project cost must be provided from non-federal sources.	Eligible entities: governmental or non-governmental organizations and individuals.	Provides the opportunity to implement innovative solutions to identified natural resource concerns.
Wildlife Habitat Incentives Program (WHIP) Contact: Local NRCS office	Offers cost-sharing and technical assistance to improve wildlife habitat. NRCS will provide up to 75% of the cost of installing wildlife habitat development practices on the land.	\$262,000 allocated to Indiana for FY2002. FY2003 allocation pending.	Program participants or non-federal partners provide 25% of the cost of installing the habitat.	Applicants must own or have control of the land under consideration. Eligible land includes: private land, Tribal land, and State and local land on a limited basis.	State wildlife habitat priorities are addressed through the use of funds from the program. Such priorities include wildlife habitat areas, cooperative agreements with other state or local agencies, conservation districts.

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Conservation Reserve Program (CRP) Contact: Farm Services Agency	Offers landowners the opportunity to voluntarily convert land with high erosion rates and other environmentally sensitive land to permanent vegetative cover.	Not available at this time.	No match required.	An individual, partnership, association, business enterprise, state or local government owning or operating croplands.	The purpose of the CRP is to protect the long-term ability use of land by reducing soil erosion, sedimentation, improving water quality, and creating a better habitat for fish and wildlife.
Continuous signup Conservation Reserve Program (CRP) Contact: Farm Services Agency	Offers landowners the opportunity to enroll eligible conservation practices, on eligible cropland, into the CRP program.	Signup is continuous and limited to 18 designated conservation practices.	Program participants provide a % of the cost of practice installation.	An individual, partnership, association, business enterprise, state or local government owning or operating croplands.	The purpose of the CRP is to protect the long-term ability use of land by reducing soil erosion, sedimentation, improving water quality, and creating a better habitat for fish and wildlife.
Conservation Reserve Enhancement Program (CREP) Contact: Farm Services Agency	CREP is a voluntary program that uses financial incentives to encourage farmers and ranchers to enroll in contracts of 10 to 15 years to remove land from agricultural production.	Indiana has a pending CREP agreement with the Farm Services Agency. The Federal government will pay for up to 50% of the cost of installing the conservation practices on the land. NOTE: The federal government will pay 140% of soil rental rate for 15 years; 50% of the cost of installing the practice; Additional 40% for riparian buffers/filter strips, etc.; and a one-time, \$150 signup incentive per acre.	20 % of non-federal funding is required for the CREP program. State match may be in the form of technical assistance, monitoring, or additional cost-share assistance. NOTE: The state has added a one-time sign-up incentive of \$300/acre. The fiscal impact of this incentive is \$7.5 M over 7 years.	States are eligible to apply for state funding. Farmers and Ranchers may apply to the state for financial incentives for enrolling their land.	The two objectives of CREP are to coordinate Federal and non-federal resources to address specific conservation objectives of a state and the nation in a cost-effective manner, and to improve water quality, erosion control, and wildlife habitat related to agricultural use in specific geographic areas.
Wetlands Reserve Program (WRP) Contact: Local NRCS office	Restores and protects wetlands on private property; provides financial incentives to enhance wetlands in exchange for retiring agricultural land. Three enrollment options are available. Maximum acreage cap: 2.2725 million acres (250,000 acres per calendar year).	See Below * Indiana's FY 2002 allocation \$10,500,00. FY 2003 allocation pending.	No match required.	Landowners applying must have a clear title and own the land for at least 12 months before the end of the sign-up period. Eligible lands: farmed wetlands, prior converted cropland, farmed wetland pasture, commenced converted wetlands.	Wetlands have been an emerging issue in the Indiana legislature for several years. With assistance from this program, eligible lands can be restored and protected.
Emergency Watershed Protection Program (EWP) Contact: Local NRCS office	Helps to protect property threatened by natural disasters such as floods, hurricanes, tornadoes, and wildfires. The NRCS provides technical and financial assistance to preserve life and property threatened by excessive erosion and flooding.	NRCS provides up to 75% of the funds needed to restore the natural function of a watershed.	A community or local sponsor of the work contributes 25% of the funds needed. May be in the form of cash or services.	Owners, managers, and users of public, private or tribal lands are eligible if the watershed area has been damaged by a natural disaster. For each project, a sponsor must apply - eligible sponsors are political subdivisions of state or local government.	This program will benefit Indiana when natural disasters, such as tornadoes, pose imminent threat to watersheds.
Floodplain Easement Program (FEP) Contact: Local NRCS office	The Floodplain Easement Program provides landowners and the public an alternative to restoring frequently flood-damaged lands to agricultural production by purchasing a permanent easement on the flood plain area and restoring it to the original native condition.	The FEP program is funded through supplemental appropriations following natural disasters. Payments provide 100% of the Agricultural or undeveloped land value (assumes a post disaster restored condition)	No match required.	Agricultural lands damaged by flooding that have been subject to repeated flood damage, or where flooding can be expected to reoccur.	Reduces the public risk of flood damages, provides for the restoration and enhancement of the function of wetlands riparian areas and buffers. Provides flood water retention and groundwater recharge.

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Conservation Security Program (CSP) Contact: Local NRCS office	The Conservation Security Program provides a three tier system of payments to producers for maintenance of existing conservation practices and cost sharing on the installation of and adoption of new practices, including management practices.	FY 2003 Rules and appropriations are not yet final.	N/A	Tribal and private agricultural lands.	Potential for providing cost-share and maintenance payments for conservation practices applied to agricultural land.
National Organic Certification Cost-Share Program Contact: Agricultural Marketing Service	The National Organic Certification Cost-Share Program was established to assist producers and handlers of agricultural products in obtaining certification under the National Organic Program (established under the Organic Foods Production Act of 1990).	\$5 million available in FY 2002 and will remain available until expended. The maximum Federal cost-share is 75% annually, with payments up to \$500 per producer or handler.	N/A	To participate, interested States must enter into a cooperative agreement with the Agricultural Marketing Service (AMS). Cost-share assistance will be provided through the states to the organic handlers or producers who have been certified by the USDA accredited certifying agent to the National Organic Program beginning April 29, 2002.	This program will benefit certified Indiana producers and handlers of organic products.
Forest Land Enhancement Program (FLEP) Contact: USDA Forest Service	Provides cost-sharing of up to 75% of the total cost for tree planting, site preparation for natural regeneration and timber stand improvement.	Program begins in 2003.	N/A	A private individual, group or corporation which owns non-industrial private forestlands capable of producing industrial wood crops. Cost-share agreements are limited to eligible ownership of land not more than 1,000 acres of non-industrial private forest land.	FLEP is an optional program that provides technical, educational, and cost-sharing assistance to promote sustainability of non-industrial private forests.
Sustainable Agriculture Research and Education Program (SARE) Contact: USDA - CSREES	Provides grants to improve the environmental and economic sustainability of farming and ranching.**	See Below ***	No match required.	Farms, universities, nonprofit organizations, research/education institutions or agencies. Contact regional SARE offices.	SARE is an educational tool targeted to increase awareness and knowledge about economically viable and sound practices.

*Three enrollment options for the WRP are: a permanent easement, a 30-year easement, and a restoration cost-share agreement. With the permanent easement, government will provide an easement payment based on the lesser of the appraised value of the land, a geographic rate cap, or an amount offered by the landowner. The Federal government will pay 100% of the restoration costs and the administrative costs associated with filing the easement. For a 30-year easement, the government will provide an easement payment 75% of the amount that would have been made for a permanent easement, up to 75% of the restoration costs and all of the administrative costs associated with filing the easement. A 10-year restoration agreement allows for a 75% coverage of the restoration costs. ** There are three programs administered through SARE's regional offices: Research and Education Grants, Producer Grants, and Professional Development Grants. Research and Education Grants and Producer Grants may be used for on-farm research to explore diversification and marketing opportunities. Professional Development Grants are used for professional development activities such as conducting workshops, creating educational videos, and on-farm training sessions for extension workers and conservation professionals.

*** The following funding will be available in each region each fiscal year: \$1.2 - \$1.4 million for research and education grants; \$150,000 - \$200,000 for producer grants; \$300,000 - \$400,000 for professional development grants.

Information for this summary was compiled by the Office of the Commissioner of Agriculture with assistance from various state agencies including: the Department of Natural Resources (the Divisions of Fish and Wildlife; Forestry; and Soil Conservation); and the Indiana Department of Commerce, Energy Policy Division. In addition, the Natural Resources Conservation Service (NRCS) provided key information for this summary. Other primary sources of information include the Northeast-Midwest Institute's "Guide to New and Existing Opportunities for Northeastern and Mid-Atlantic States in the 2002 Farm Bill and other Recent Agriculture Legislation" (2002); and the 2002 Farm Bill, P.L. 107-171 (May 13, 2002).

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